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FM AMEMBASSY NAIROBI

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INFO RUCNIAD/IGAD COLLECTIVE PRIORITY  
RUEHDS/AMEMBASSY ADDIS ABABA PRIORITY 9973  
RUEHDR/AMEMBASSY DAR ES SALAAM PRIORITY 5868  
RUEHDJ/AMEMBASSY DJIBOUTI PRIORITY 5173  
RUEHKM/AMEMBASSY KAMPALA PRIORITY 2697  
RUEHKH/AMEMBASSY KHARTOUM PRIORITY 1949  
RUEHLO/AMEMBASSY LONDON PRIORITY 2729  
RUEHFR/AMEMBASSY PARIS PRIORITY 2658  
RHMFSS/CJTF HOA PRIORITY

C O N F I D E N T I A L SECTION 01 OF 04 NAIROBI 000792

SIPDIS

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FOR S, D, P, G, DRL, AND AF A/S FRAZER FROM THE AMBASSADOR

E.O. 12958: DECL: 03/20/2018

TAGS: PREL PGOV KDEM ASEC KE

SUBJECT: KENYA'S POLITICAL PROCESS AND U.S. ENGAGEMENT

REF: A. NAIROBI 706 (MT. ELGON VIOLENCE)  
IB. NAIROBI 786 (ENACTING THE COALITION GOVT.)  
IC. NAIROBI 762 (SAFARICOM IPO)  
ID. NAIROBI 680 (AMBASSADOR,S SPEECH)  
IE. NAIROBI 650 (REQUEST FOR \$25 MILLION)  
IF. NAIROBI 729 (REQUEST FOR \$75 MILLION)  
IG. NAIROBI 687 (PARLIAMENT OPENS)  
IH. NAIROBI 641 (POLITICAL ACCORD AND US ENGAGEMENT)  
AND PREVIOUS

Classified By: Ambassador Ranneberger for reasons 1.4 (b,d)

I1. (SBU) Summary. Since the signing of the political accord on February 28, President Kibaki and Raila Odinga have sent positive signals and maintained the momentum for peace and political reconciliation generated by the February 28th landmark power-sharing accord. Odinga will likely be sworn in as prime minister next week, with the cabinet named at about the same time. Kenyans are calm and hopeful. We continue to receive widespread expressions of appreciation for the U.S. role in helping resolve the crisis. End summary.

I2. (U) This message reports on the state of play and delineates actions we are taking and that the U.S. can take to support implementation of the accord and help Kenya emerge stronger from the crisis.

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Leaders Send Positive Signals  
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I3. (SBU) Both President Kibaki and Raila Odinga are demonstrating a strong commitment to implement the political accord signed on February 28th. The media has focused prominently on their regular meetings aimed at maintaining momentum. Since the signing, Kibaki and his team have been referring to Odinga as the "prime minister-designate," even though the implementing legislation had not yet been passed by Parliament. Key members of their respective teams, including the notable hardliners on both sides (like Minister of Justice Martha Karua and the ODM's William Ruto), have been at pains to demonstrate support for the accord. Each side has made clear to us that it is pleased by the evident commitment of the other to implement the letter and spirit of the deal. Media commentary regarding the accord has been very positive, as have the comments by key civil society organizations and ordinary Kenyans. There has been no violence related to the power-sharing deal. (Note: As explained ref A, the fighting over land in Mt. Elgon which

began in 2006 continues unabated. Also, Kenya's tradition of cattle rustling ) often violent ) continues in some parts of the country. Several recent localized incidents (with casualties) have been widely reported. End note.)

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Implementation of the Accord  
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¶4. (U) Parliament on March 18th passed legislation amending the constitution to create the positions of prime minister and two deputy prime ministers (see ref B). President Kibaki and Odinga, both MPs, participated in the friendly and constructive debate on the bill, and set a very positive tone. It was the first time in Kenya's history that a sitting president participated in a parliamentary debate.

¶5. (C) It is expected that Odinga will be sworn in as prime minister next week, and that the composition of the cabinet will be announced at that time. Odinga has told us he will name his running mate Musalia Mudavadi to be one of the two deputy prime ministers. Under the new law, the minority coalition partner, PNU, names the other deputy prime minister. There is jockeying among the Kibaki team regarding who will be appointed (key candidates are Karua, Minister of Local Government Uhuru Kenyatta, and Minister of Internal Security George Saitoti).

¶6. (SBU) Formation of the coalition government is one among a number of steps needed to implement the accord. The other two main areas of implementation include formation of three commissions (on election irregularities; on election violence; and on truth, justice, and reconciliation), and

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moving ahead with the institutional reform agenda (constitutional, electoral, land, and related issues). The two sides are still meeting to put the finishing touches on the exact parameters of the reform agenda. The roadmap for specific reforms will take shape in discussions with the Parliament and civil society following formation of the coalition government. As reported septel, the commission on electoral irregularities has been named (and the head of it, South African judge Johann Kriegler arrived in Nairobi on March 19 to begin work). The commission on post-election violence has not yet been formed. The government has approached donors for assistance in the setting up of the truth, justice, and reconciliation commission.

¶7. (C) Former Nigerian Foreign Minister Oluyemi Adeniji, who Annan asked to work with the parties following his departure, has been ably chairing the continuing talks on the reform agenda. Annan is remaining in touch with Kibaki and Odinga, and has made clear that he has not abandoned the process. To continue this process, formation of a formal "Secretariat of Eminent Persons" with AU and UN personnel, as well as outside experts, will follow the implementation of the coalition accord. The U.S. and other donors have provided financial support for this mechanism.

¶8. (SBU) One very positive sign of the parties' commitment to the accord is their cooperation on a unified approach to deal with the negative impact of the crisis and to get the economy back on track. On March 14, Odinga dropped his earlier opposition and signaled his support for the March 28 launch of the Safaricom initial public offering, which will provide the GOK with \$770 million in badly needed cash for the budget (ref C).

¶9. (U) Kibaki and Odinga jointly chaired a meeting with donors and international financial institutions on March 17. As reported septel, they appealed for approximately \$480 million in support. At the meeting I circulated a paper laying out the humanitarian assistance that we are providing and making clear our commitment of \$25 million in new assistance. The strong signal of U.S. support was very

well-received.

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U.S. Leadership and Approach  
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¶110. (U) We continue to receive messages from Kenyans across the political, social, economic, and ethnic spectrum expressing heartfelt appreciation for the decisive role that the U.S. played in helping to resolve the crisis. U.S. stock in Kenya has never been higher but, concomitantly, expectations for our continued engagement on recovery efforts are also high. Kenyans appreciate that the U.S. is already their largest bilateral partner, and look to our friendship as key in ensuring the accord stays on track.

¶111. (SBU) With this in mind, in a major speech on March 8, I delineated U.S. views on the way forward (ref D). I am continuing to work the media, including vernacular radio stations, to emphasize our positive view of the accord, our commitment to remain engaged, and our optimism about the country's future. I have emphasized to Kibaki and Odinga the need to work closely with civil society and the private sector to carry out the reform agenda in an inclusive manner. I and members of the Mission team are also visiting affected areas of the country to support reconciliation and humanitarian efforts.

¶112. (SBU) Among other areas, our approach is focused on the following:

-- We are supporting implementation of the accord, particularly with respect to strengthening good governance. With timely support from USAID's Office of Transition Initiatives, we will expand our support for Parliament. This will include strengthening the Speaker's Office, digitizing records, and facilitating live media coverage of parliamentary debates in order to increase transparency and accountability. We plan to engage with Odinga to determine how we can help make the Prime Minister's Office effective. We have already provided \$1 million to support the

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"Secretariat of Eminent Persons" to monitor implementation.

-- We are working with the government, civil society, and other donors to determine support needs for the three commissions envisioned in the accord.

-- We are supporting reconciliation and conflict resolution. The bolstering of USAID's democracy and governance funds is enabling us to expand support for grassroots reconciliation efforts, particularly in hard hit Rift Valley Province. Additional support from the Office of Transition Initiatives will enable us to expand efforts through community and vernacular radio stations.

-- We have developed an integrated Mission approach to assist in the return of displaced persons to their homes, and resumption of agricultural and small business livelihoods. This includes pulling together all USG resources in a comprehensive effort. We are working to identify several specific areas where people can be returned safely in Rift Valley. While it will take many months, if not years, for conditions to permit return of many of the displaced (some of whom have been IDPs since fleeing violence during Kenya's 1992 and 1997 elections), the rapid return of even a small number of persons will send a positive message to all Kenyans. Working with implementing partners and the government, we will supply funding for the displaced to acquire essential items to return to their homes (not their "ancestral lands") and rebuild their lives. Civic action, health, micro-enterprise, agricultural, and other Mission programs will assist returns, including reconciliation efforts between communities. Returns on a limited scale will only be carried out when we, implementing partners, and the

government deem that the groundwork has been laid through effective reconciliation efforts, and we will ensure that appropriate security is in place. We hope that these first returns can begin within the next 2-3 weeks.

-- We are continuing to provide humanitarian assistance on an urgent basis, including upgrades to IDP camps in preparation for the impending rainy season.

-- Once the coalition government is in place, we plan to brief PM Odinga and relevant ministers on the U.S.-Kenyan partnership, and to lay out key priorities for action (including legislative priorities like anti-money-laundering). We will provide similar briefings to Members of Parliament.

-- We have requested the Department's clearance to end authorized departure of CDC and MRU personnel from Kisumu and Kericho, and to revise the language in the travel advisory to reflect changed conditions.

-- We are working with relevant government ministries and the private sector (including the American Chamber of Commerce) to encourage the return of tourism and to intensify support for U.S. investment.

-- We are working with Peace Corps to begin the return of volunteers during April and May.

-- Other steps to demonstrate engagement with the new coalition government may include a U.S. naval ship visit to Mombasa in early May.

-- We have presented to the Department proposals for use of the \$25 million in new support, and a proposal for an additional \$75 million for FY09 (refs E and F).

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#### An Historic Opportunity

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**¶13.** (SBU) This strong U.S. leadership will be further bolstered as we influence donors and international financial institutions (IFIs) to provide appropriate support for Kenya.

At the March 17th donor meeting chaired by Kibaki and Odinga, there were no specific commitments (beyond ours of \$25 million). However, there was discussion about holding a donor meeting in Kenya during the late April-early May timeframe. The British have expressed some interest in

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hosting a separate private sector investment conference in London. Commitment of an additional \$75 million for FY09, coupled with the \$25 million already committed, will enhance our leverage with the donor community and IFIs.

**¶14.** (SBU) The Kenyan economy was not irrevocably damaged during the crisis, and has the potential to bounce back quickly. Assisting this process will reinforce the coalition government and provide a positive context for the carrying out of the reform agenda. The strong positive signals that Kibaki and Odinga have been sending have greatly reassured the Kenyan people. While tensions persist in some of the areas hardest hit by the post-election violence, there is a broad feeling that the country has returned to normal and that the political accord holds the promise of a bright future. We and Kenyans understand that implementing the reform agenda will not be an easy matter, and that the glow of the coalition honeymoon will fade. There is, however, a palpable sense of optimism, and the U.S. role is very much seen as part of the reason for that. The challenge facing us is to help the Kenyan people exploit the historic opportunity before them and, in so doing, to demonstrate Kenya's recovery as a model of how democracies can deal effectively with even the most profound crises.

RANNEBERGER